

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking Regarding Policies,
Procedures and Rules for the California Solar
Initiative, the Self-Generation Incentive Program
and Other Distributed Generation Issues.

Rulemaking 06-03-004
(Filed March 2, 2006)

**SAN DIEGO GAS & ELECTRIC COMPANY'S (U 902 M) REPLY COMMENTS ON
OPINION ESTABLISHING A SINGLE-FAMILY LOW-INCOME INCENTIVE
PROGRAM WITHIN THE CALIFORNIA SOLAR INITIATIVE**

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November 13, 2007

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PROGRAM WITHIN THE CALIFORNIA SOLAR INITIATIVE**

In accordance with Rule 14.3 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, San Diego Gas & Electric Company (SDG&E) respectfully responds to parties' comments received on November 6, 2007 on Commissioner Peevey's , Opinion Establishing Single-Family Low-Income Incentive Program (SFLI) within the California Solar Initiative, dated October 17, 2007 (PD). SDG&E supports many elements of the CSI-SFLI program design and appreciates the opportunity to provide Reply Comments addressing the following areas:

- The CSI-SFLI Program should be designed in a manner that effectively integrates California's energy efficiency initiatives with solar programs as mandated by D.07-10-032.
- Should the Commission choose a single statewide third party administrator for the CSI-SFLI Program, the Commission should establish a cost recovery mechanism to recover utility service costs associated with this proceeding.
- KEMA's Low Income Needs Assessment Report (cited in comments) should not be viewed as fact until disputed alleged inaccuracies can be resolved.

**SDG&E STRONGLY SUPPORTS A CSI-SFLI PROGRAM THAT INTEGRATES
CALIFORNIA'S ENERGY EFFICIENCY INITIATIVES WITH SOLAR
INSTALLATIONS**

In opening comments, PG&E (p. 9) recommends that the following new Conclusion of Law be incorporated into the final SFLI decision:

“The CPUC should address how energy efficiency, as in the Energy Action Plan loading order, will support the low-income solar programs in the LIEE and EE proceedings (R.07-01-042 and R. 06-04-010, respectively). This support should include additional energy efficiency program funding, revised program design, and incorporation into savings calculations.”

SDG&E supports this modification as it ensures greater integration and coordination of demand side management programs with the CSI-SFLI Program. This is also consistent with recent CPUC's own policy set forth recently in the Interim Opinion on Issues Relating to Future Savings Goals and Program Planning for 2009-2001 Energy Efficiency and Beyond (D. 07-10-032, October 18, 2007 issued on R.06-04-010). One of the chief goals of the Energy Efficiency strategic planning process going forward includes establishing a planning group which will explore ways to integrate energy efficiency measures within existing and new Low Income programs. SDG&E supports this integration process.

**A COST RECOVERY MECHANISM SHOULD BE ESTABLISHED BY THE
COMMISSION THAT ALLOWS THE UTILITY'S RECOVER COSTS ASSOCIATES
WITH THIS PROCEEDING, SHOULD A SINGLE STATEWIDE THIRD PARTY BE
CHOSEN TO ADMINISTER THE CSI-SFLI.**

SDG&E agrees with the comments provided by SCE (p. 1) and PG&E (p. 4) regarding their support for utility administration of the SFLI Program because of the utilities' continued involvement in low income, DRP and energy efficiency programs. The selection of an administrator should be guided by which entity can best deliver an integrated approach to meet the Commission's objective. Should the Commission choose to name a single statewide third party administrator for the SFLI, SDG&E agrees with the comments of SCE requesting that the Commission establish a “cost recovery mechanism” to recover those costs incurred processing incentive payments for the program administrator. SDG&E further requests that the

Commission expand this cost recovery mechanism to include other expenses incurred by the utilities as required by the statewide program administrator.

KEMA'S LOW INCOME NEEDS ASSESSMENT REPORT (cited in comments)

SHOULD NOT BE VIEWED AS FACT UNTIL DISPUTED ALLEGED

INACCURACIES CAN BE RESOLVED BY THE COMMISSION

In Opening Comments, A World Institute for Sustainable Humanity (A WISH), cites several figures contained in the recently released Statewide Low Income Needs Assessment. (Comments at pp. 5, 6, 7, and 8 and in the Appendix and Subject Index). On September 7, 2007 KEMA issued its final report on Phase 2 of the statewide Low Income Needs Assessment Report (KEMA Report). On September 27, 2007 in R. 07-01-042, Administrative Law Judge Malcolm issued a Ruling seeking comments on issues raised in the KEMA Report. In Opening Comments and Reply Comments several parties identified several inaccuracies in the Report such as:

- Inaccurate tables and factual errors;
- Lack of analysis and analysis data in the Report;
- Unsubstantiated conclusions;
- Unclear recommendations;
- Insufficient sampling data for the Southern California Investor owned utilities and the Small and Multi Jurisdictional utilities;
- Conflicting recommendations; and,
- Straying from the principle objectives of Phase 2 of the Report.

SDG&E cautions against the use of data contained in the KEMA Report until such time the Commission has made a determination on to how to resolve data discrepancies contained the in the report.

CONCLUSION

SDG&E appreciates the opportunity to provide reply comments on this Proposed Decision and hopes the Commission will consider these requests as the final decision is completed.

Respectfully submitted,

By: /s/ Steven D. Patrick
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November 13, 2007

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing **SAN DIEGO GAS & ELECTRIC COMPANY'S (U 902 M) REPLY COMMENTS ON OPINION ESTABLISHING A SINGLE-FAMILY LOW-INCOME INCENTIVE PROGRAM WITHIN THE CALIFORNIA SOLAR INITIATIVE** on all known interested parties of record in **R.06-03-004**. Any party on the service list who has not provided an electronic mail address was served by placing copies in properly in properly addressed and sealed envelopes and by depositing such envelopes in the United States Mail with first class postage prepaid.

Copies were also sent via Federal Express to Administrative Law Judge Dorothy Duda and Commissioner's Advisor Andrew Schwartz.

Dated at Los Angeles, California this 13th day of November, 2007.

/s/ Marivel Munoz

Marivel Munoz

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Service Lists - Proceeding: R0603004 ; Last Updated: September November 8, 2007;

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